



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

NEAL T. GOOCH
Insurance Commissioner

Insurance Department

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Utah - a Destination for Captive Insurers

The year 2011 has been a record breaker for the Utah Insurance Department's Captive Division. The year concluded with the licensure of 69 new captive insurance companies. This number bested that of 2007 when the Division licensed 63 new captives.

"The flow of captives coming to Utah over the past four years has been impressive," said Insurance Commissioner Neal T. Gooch. "In 2007 we had 93 active captives, by the end of 2011 we had a total of 239. That is a 27% growth rate making us one of the fastest growing captive domiciles in the country."

A part of the licensing process for these captives includes a visit with Ross Elliott, Director of the Captive Division. "Usually I will ask them why they want to be licensed in Utah. Reasons vary, but for the most part answers include the fact that Utah has been judged the best governed state for several years running. We also have a young and well-educated workforce, a transportation hub, great snow and some of the most extensive genealogy resources in the world."

"These reasons alone wouldn't draw captives to Utah if we couldn't provide the service they need," said Mr. Elliott. "With the passage of the Captive Insurance Companies Act, the legislature authorized a dedicated funding mechanism for its implementation. This has made it possible for us to hire good people. Without them we couldn't respond in a timely manner to the flow of paper, client calls, or reviews of the required audits. Even with our great staff we have to call on others in the department for help during the last two months of the year when the majority of the applications come in."

Captive insurance is a type of self insurance, regulated by state insurance departments. The captive insurers are created by a company or groups of companies as a form of alternative insurance to manage their own risk. The owners of Utah's captives are located in 28 different states, primarily from the western United States.

Please note: Agency hours are 8am-5pm, Monday-Friday.

“The fastest growing industry segments during 2011,” said Mr. Elliott, “were healthcare, manufacturing, and financial services. All were formed as “pure” captive structures except one, which was formed as a sponsored captive.

To learn more about captives in Utah go to <http://www.captive.utah.gov/index.html>.

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